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*Seventeen Talks on the Banking Question.* By CHARLES N. FOWLER. (Elizabeth, N. J.: Financial Reform Publishing Company. 1913. Pp. 514. \$2.50.)

Congressman Fowler makes a valuable and somewhat unique contribution to the current discussion of banking reform. The book is written in the form of a conversation between Uncle Sam and six citizens of various occupations. These hold seventeen weekly meetings. Starting with a discussion of elementary principles of money and banking, they progress to a study of the defects of the American banking system and finally agree upon a plan of reform. Written in popular and even colloquial style, the expression is nevertheless always clear and simple, in spite of occasional repetitions and digressions and lengthy elaborations of truths that might be more concisely stated.

Mr. Fowler is not altogether successful in his definitions of fundamental economic terms. Thus the definition of wealth as "whatever can be exchanged for money," including rights such as checks, bonds, etc. (pp. 104-5) can hardly be commended. We must take exception to such a sentence as this: "Wealth consists of property convertible into money, and therefore implies exchangeability, while property may not mean wealth at all, because the property has no exchangeable value" (p. 107). Other unfortunate concepts will be found in chapter 6 (pp. 101-117).

But all this is a small matter, detracting little from the general excellence of the argument and conclusions. Upon the fundamental principles of money and banking, Mr. Fowler is thoroughly sound and remarkably well-informed. Certain old-fashioned economic truths are driven home with irresistible logic and a wealth of historical evidence: That nothing should properly be called money except gold coin and bullion; that no credit instrument should be regarded as money; that a sound monetary system should consist of three things, gold coin (and gold certificates), subsidiary coin, and bank credit currency; that inexorable current redemption and a reserve of gold furnish the only basis of a sound credit currency; that one debt is not a safe reserve for another debt; and that there is no place in a sound monetary system for government credit currency—these are some of the truths which the author continually forces upon the reader. It is through disregard of these truths that the monetary history of the United States is a long dismal record of blunders and makeshifts with their attendant consequences. It is disregard of these truths that

is at the present moment threatening us with a "reform" of our banking system which perpetuates many of the fundamental fallacies from which we have suffered in the past.

Mr. Fowler's own plan, developed in the last three chapters, is in the reviewer's opinion deserving of the most careful consideration. Its main features are as follows: Authority is granted to national banks to do savings and trust company business, the assumption being that practically all commercial banks will eventually become national banks. Provision is made for refunding the two per cent bonds, abolishing the present bond-secured national bank notes, retiring the greenbacks, and making token money of the silver dollars. Every bank is compelled to carry reserves consisting of gold or gold certificates only. A note issue system is provided, similar to that in Canada. The country is separated into a number of commercial zones, each with a central clearing house. This central organization is to hold deposits, make exchanges, redeem checks and notes, make rediscounts, examine the banks of its territory, etc., performing thus the functions of a clearing house and central bank for its territory. Its organization is to be quite independent of the other zones, but brought into a national system through its relation with a national "American Reserve Bank." The reserves of the whole country will be held partly by the individual banks, but largely mobilized in the zone centers and the central reserve bank. A simple scheme of electing the officers of the various clearing houses and of the central bank would seem to put the management where it belongs and keep politics entirely outside. The United States government is relieved of the business of issuing credit currency or of keeping up its independent treasury.

Mr. Fowler's plan is based upon sound principles. In the reviewer's opinion, it is immeasurably superior to the Aldrich plan, which the author criticizes very severely, as well as to the monetary bill at present before Congress. Mr. Fowler has long stood as the champion of scientific banking reform. Few members of Congress in recent years have so fully grasped the economic principles on which alone a sound currency system can be established.

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*Le Banche e il Mercato Monetario.* By MARCO FANNO. (Rome: Athenaeum. 1913. Pp. 395. 8 l.)

This volume is a stimulating contribution to economic literature.